Message Text

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R 072345Z MAY 78
FM AMEMBASSY MEXICO
TO SECSTATE WASHDC 0090
ALL CONSULATES IN MEXICO POUCH

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EO 11652: GDS

TAGS: PINT, PEPR, PORG, ELAB, MX

SUBJECT: MEXICO HIGHLIGHTS: FEBRUARY, MARCH, APRIL

1. SUMMARY. THE SOVIET UNION'S DECISION TO SIGN PROTOCOL TWO OF THE TLATELOLCO TREATY. TO LIMIT DEPLOY-MENT OF NUCLEAR WEAPONS IN LATIN AMERICA, WAS A MAJOR FOREIGN POLICY ACHIEVEMENT FOR MEXICO. THE GOM HAD LESS SUCCESS IN FOLLOWING THROUGH ON ITS INITIAL INTEREST IN F-5 FIGHTERS OR ITS INITIAL WILLINGNESS TO PROVIDE TROOPS TO UNIFIL IN SOUTHERN LEBANON. PRESIDENT LOPEZ PORTILLO ANNOUNCED HIS PLANNED VISITS TO THE USSR AND BULGARIA IN MAY AND TO JAPAN AND CHINA IN OCTOBER. ON THE DOMESTIC FRONT ARRESTS OF GOVERNMENT OFFICIALS FOR CORRUPTION HAVE CLAIMED FRONT-PAGE ATTENTION IN THE PRESS. SEVERAL POLITICAL PARTIES, INCLUDING THE COMMUNISTS, HAVE RE-OUESTED LEGAL REGISTRATION. WHILE THE INFIGHTING IN THE PRI GOES ON. BOTH THE ELECTRICAL AND TELEPHONE WORKERS WENT ON STRIKE, CAUSING TEMPORARY SERVICE PROBLEMS. BUT SETTLING WITHIN THE TWELVE PERCENT WAGE GUIDELINE SET BY THE GOVERNMENT. END SUMMARY.

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2. MEXICO'S GREATEST ACHIEVEMENT IN THE FOREIGN POLICY AREA FOR THIS PERIOD WAS THE AGREEMENT OF THE SOVIET UNION TO SIGN PROTOCOL TWO OF THE TREATY OF TLATELOLCO. THE SIGNING OF THE SOVIETS, WHICH IS LIKELY TO TAKE PLACE DURING LOPEZ PORTILLO'S VISIT TO THE USSR IN MAY, COULD PAVE THE WAY FOR A NUMBER OF OTHER COUNTRIES TO SIGN, INCLUDING CUBA AND BRAZIL, AND HELP ALLOW THE

TREATY TO GO INTO EFFECT.

- 3. THE ISSUE OF THE POSSIBLE PURCHASE OF F-5 FIGHTERS BY MEXICO FROM THE U.S. WAS FINALLY SOLVED BY THE DECISION OF JLP NOT TO PURSUE THE PURCHASE OF THE PLANES. THIS POTENTIALLY SENSITIVE AND TROUBLESOME ISSUE WAS RESOLVED WITH A MINIMUM AMOUNT OF PUBLIC FANFARE LOCALLY BY THE WITHDRAWAL OF THE MEXICAN DIPLOMATIC NOTE WHICH HAD ORIGINALLY REQUESTED THE PURCHASE OF THE FIGHTERS.
- 4. THE GOM'S DECISION NOT TO CONTRIBUTE TROOPS TO THE UNIFIL WAS A DISAPPOINTMENT, ESPECIALLY AFTER THE EARLY INDICATIONS THAT THEY WERE GOING TO HELP WITH MANNING THE FORCE. HOWEVER, FOREIGN SECRETARY ROEL INDICATED HE WAS WILLING TO ENCOURAGE LATIN AMERICAN SUPPORT FOR FINANCING UNIFIL. IN TERMS OF MEXICAN DOMESTIC POLITICS IT WAS A SAFE DECISION, FOR THE PRESENCE OF ANY MEXICAN TROOPS IN LEBANON WOULD HAVE PROMPTED CRITICISM FROM THE MEXICAN LEFT, HAVE BEEN SEEN BY SOME AS AN ABROGATION OF MEXICO'S OFTEN-STATED POLICY OF NON-INTERVENTION, AND COULD HAVE BROUGHT MEXICO INTO AN UNWANTED CONFLICT WITH ISRAEL, AT A TIME WHEN MEXICO IS DESIROUS OF CONTINUED IMPROVING RELATIONS.
- 5. MEXICO RECEIVED PRIME MINISTER OF PORTUGAL, MARIO SOARES, WHO CAME IN HIS ROLE AS PRESIDENT OF THE SOCIALIST CONFIDENTIAL.

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INTERNATIONAL. BOTH GOM AND PRI OFFICIALS WERE VERY CAREFUL NOT TO ALLOW THE DOMINANT POLITICAL PARTY TO BE IDENTIFIED AS SOCIALIST AND CONTINUALLY STRESSED THE NON-IDEOLOGICAL NATURE OF THE PRI.

- 6. FOREIGN SECRETARY SANTIAGO ROEL VISITED VENEZUELA AND ECUADOR DURING THIS PERIOD. IN VENEZUELA FOR A MEETING OF SELA, ROEL USED THE OPPORTUNITY TO REAFFIRM MEXICAN SOLIDARITY WITH THE REST OF LATIN AMERICA AND ESPECIALLY WITH THE HOST GOVERNMENT, AND TO CRITICIZE U.S. PROTECTIONISM. IN ECUADOR ROEL STATED THAT MEXICO WOULD TRY TO EVEN UP THE BALANCE OF TRADE BETWEEN THE TWO COUNTRIES WHICH IS HEAVILY IN MEXICO'S FAVOR.
- 7. JLP ANNOUNCED VISITS TO BULGARIA AND THE USSR IN MAY, TO JAPAN AND CHINA PROBABLY IN OCTOBER, AND TO IRAN BEFORE THE END OF THE YEAR. THE TRIP TO THE USSR WILL BE GREATLY ENHANCED BY THE PROBABLE SOVIET SIGNING OF PROTOCOL TWO OF THE TLATELOLCO TREATY. AGREEMENTS WILL ALSO BE SIGNED CONCERNING SCIENTIFIC AND TECHNOLOGICAL INTERCHANGE AND THERE IS A POSSIBILITY THAT A QUADRIPARTITE AGREEMENT REGARDING THE EXCHANGE OF PETROLEUM

PRODUCTS AMONG MEXICO, THE USSR, CUBA, AND SPAIN WILL BE WORKED OUT DURING THE VISIT.

- 8. MEXICAN POPULAR REACTION TO THE U.S. SENATE APPROVAL OF THE PANAMA CANAL TREATIES WAS APPROVAL, AS TO BE EXPECTED, BUT WITH A RESTATEMENT OF THE MEXICAN BELIEF THAT THE TREATIES SHOULD HAVE BEEN MORE FAVORABLE TO PANAMA, AND WITH PARTICULAR RESERVATIONS REGARDING THE DECONCINI AMENDMENT.
- 9. ON THE DOMESTIC SCENE CORRUPTION AND THE GOVERNMENTS EFFORTS TO REDUCE IT HAVE BEEN PROMINENT IN THE PRESS FOR

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THE PAST THREE MONTHS.

-- IN THE STATE OF SONORA, GOV. ALEJANDRO CARRILLO MARCOR APPEALED TO THE NATIONAL SUPREME COURT A DECISION BY THE SONORA SUPERIOR COURT, WHICH BY A THREE-TWO VOTE ABSOLVED FORMER GOV. CARLOS ARMANDO BIEBRICH OF CHARGES THAT HE ILLEGALLY ENRICHED HIMSELF. BIEBRICH WAS INVESTIGATED AT THE REQUEST OF THE SONORA LEGISLATURE WHEN IT WAS DISCOVERED HE AND HIS WIFE BOUGHT PROPERTY VALUED AT 7.5 MILLION PESOS, WHICH WAS SEVEN TIMES HIS SALARY DURING HIS BRIEF TWO YEAR TERM AS GOVERNOR. WITH THE APPARENT SUPPORT OF THE PRESIDENT, CARRILLO IS APPEALING THE DECISION BY HIS OWN STATE COURT TO PURSUE THE PROSECUTION. RUMORS ARE RIFE OF POLITICAL PRESSURE SURROUNDING THE CASE.

-- THREE THOUSAND MEXICO CITY POLICEMEN, OR ABOUT 10 PER CENT OF THE FORCE UNDER POLICE CHIEF ARTURO DURAZO MORENO HAVE BEEN DISMISSED IN RECENT WEEKS FOR DISHONESTY. COMMENT: GIVEN THE QUESTIONS SURROUNDING HONESTY AT THE TOP LEVEL, THIS MAY BE A CASE OF THE MINNOWS BEING CAUGHT WHILE THE SHARK SWIMS FREE. END CONFIDENTIAL

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COMMENT.

- -- ALFREDO RIOS CAMARENA, A ONE-TIME PRI STALWART,
 ACCUSED OF FRAUD INVOLVING A REAL ESTATE TRUST FUND
 RETURNED VOLUNTARILY FROM MIAMI RATHER THAN BE EXTRADITED
 TO FACE PROSECUTION. INTERVIEWED UPON HIS RETURN TO
 MEXICO, HE MAINTAINED HIS INNOCENCE AND CLAIMED THAT
 ALL MEXICAN OFFICIALS WERE CORRUPT.
- -- EUGENIO MENDEZ DOCURRO, UNDER SECRETARY OF EDUCATION AND FORMERLY SECRETARY OF COMMUNICATIONS AND TRANSPORTATION IN THE ECHEVERRIA ADMINISTRATION, WAS ARRESTED MARCH 21 FOR MISAPPROPRIATING U.S.\$400,000. AFTER REPAYING THE MONEY HE HAD USED HE WAS RELEASED ON BAIL. MENDEZ' PUBLIC RECORD TO THAT POINT HAD BEEN SO OUTSTANDING THAT THE ATTORNEY GENERAL PUBLICLY REGRETTED HIS ARREST.
- -- FAUSTO CANTU PENA, DIRECTOR GENERAL OF THE MEXICAN COFFEE INSTITUTE, WAS ARRESTED APRIL 26 WITH SEVERAL OF HIS COLLEAGUES FOR DEFRAUDING THE GOVERNMENT OF OVER U.S. \$10 MILLION IN TAXES IN COFFEE EXPORT SALES. CANTU PENA'S ARREST IS NOTABLE BECAUSE HE IS THE FIRST HIGH LEVEL OFFICIAL DETAINED FOR CRIMES COMMITTED DURING THE PRESENT ADMINISTRATION
- 10. THE POLITICAL PARTIES HAVE BEEN ACTIVE WITH BEHIND THE SCENES JOUSTING FOR POSITION, BOTH WITHIN THE PRI AND AMONG THE SMALLER PARTIES. CARLOS SANSORES PEREZ, PRESIDENT OF THE PRI, IS STILL IN CONTROL, NOTWITH-STANDING NUMEROUS PREDICTIONS OF HIS IMMINENT DEMISE. THREE PROMINENT CONTENDERS TO REPLACE SANSORES ARE: SECRETARY OF AGRARIAN REFORM, JORGE ROJO LUGO; PRESIDENT CONFIDENTIAL

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OF THE GRAND COMMISSION OF THE CHAMBER OF DEPUTIES, RODOLFO GONZALEZ GUEVARA; AND GOVERNOR OF GUANAJUATO, LUIS DOCOING GAMBA. ROJO LUGO'S CHANCES MAY HAVE BEEN WEAKENED BY RECENT PUBLIC ATTACKS ON THE POOR ADMINISTRATION OF AGRARIAN REFORM, WHICH JUST HAPPENED TO SURFACE AS HE WAS MENTIONED AS THE FRONT RUNNER TO REPLACE SANSORES PEREZ. NOT ONE TO GIVE UP EASILY, SANSORES IS MAKING USE OF ALL PRI FORUMS TO PREACH ON REVITALIZATION AND DEMOCRATIZATION OF THE PARTY.

11. THE MOST NOTABLE EVENT ON THE POLITICAL LEFT WAS THE COMMUNIST PARTY'S (PCM) APPLICATION FOR CONDITIONAL REGISTRATION ON APRIL 11. INTERIOR SECRETARY JESUS REYES HEROLES WELCOMED THE APPLICATION AND REMINDED THE PCM LEADERS TO PLAY BY THE RULES OF THE GAME. WHILE REGIS-TRATION OF THE PCM WILL BRING ITS ACTIVITIES INTO THE OPEN, IT COULD ALSO CAUSE DISSENSION WITHIN THE LABOR RANKS OF THE PRI. THREE WEEKS EARLIER THE DEMOCRATIC MEXICAN PARTY (PDM), WHICH IS TO THE RIGHT-OF THE PRI, HAD REQUESTED ITS REGISTRATION. THE SOCIALIST WORKERS PARTY (PST) REQUESTED ITS REGISTRATION ON APRIL 25. OTHER PARTIES SEEKING CONDITIONAL REGISTRATION: SOCIALIST REVOLUTIONARY PARTY (PSR), AND THE REVOLUTIONARY WORKERS PARTY (PRT) TROTSKYTE. TWO PARTIES - MEXICAN WORKERS PARTY (PMT) AND MEXICAN PEOPLES PARTY (PPM) - ARE SEEKING THE MORE TIME-CONSUMING DEFINITIVE REGISTRA-TION, FOR WHICH THEY WILL HAVE TO FOREGO RUNNING CANDI-DATES IN THE JULY 1979 CONGRESSIONAL ELECTION. COOPERA-TION OF THE LEFT IN RUNNING A JOINT SLATE FOR THE 1979 ELECTIONS IS STILL BEING DISCUSSED, BUT THERE ARE NOT YET ANY CLEAR SIGNS THE GOAL WILL BE ACHIEVED. THE NATIONAL ACTION PARTY (PAN) IS GOING THROUGH ANOTHER SCHISM WITH THE RESIGNATION FROM THE PARTY OF ONE OF ITS LEADERS, EFRAIN GONZALEZ MORFIN. THE PAN'S ABILITY TO BE AN

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ALTERNATIVE IN THE MEXICAN SYSTEM CONTINUES TO DECLINE. VICENTE INFANTE CASTILLO, A REGIONAL PARM LEADER IN THE STATE OF TAMAULIPAS, WAS ASSASSINATED ON 21 MARCH IN WHAT WAS APPARENTLY A POLITICALLY MOTIVATED SLAYING. THE PARM HAD BEEN INVOLVED IN SEVERAL DEMONSTRATIONS WHICH ENDED IN RIOTS IN SEVERAL CITIES IN TAMAULIPAS EARLIER IN THE YEAR

12. SUBSEQUENT PRESS TREATMENT OF A MARCH 16 SPEECH OF SECRETARY OTEYZA'S CLAIM IN BANNER HEADLINES THAT HE HAD HERALDED THE ESTABLISHMENT OF A NEW "EMPLOYMENT CREATION FUND" TO BE FINANCED FROM FUTURE OIL REVENUES WAS GROSSLY EXAGGERATED. LABOR CHIEF FIDEL VELASQUEZ LATER SPOKE PUBLICLY ABOUT THE CREATION OF A NEW "PUBLIC EMPLOYMENT AGENCY" FINANCED BY OIL MONIES BUT GAVE NO ADDITIONAL DETAIL. AT THIS POINT G VING#TALKED PRIVATELY

WITH MANY MIDDLE LEVEL BUREAUCRATS AND A FEW AT RELA-TIVELY HIGH LEVELS, WE ARE DISPOSED TO PASS THE NEWS OFF AS ANOTHER OF THE FREQUENT PORTIONS OF POLITICAL PAP WHICH THE GOM REGULARLY SERVES THE MASSES (MEXICO 7069).

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13. LOPEZ PORTILLO WON A MAJOR ROUND IN HIS BATTLE TO CURB INFLATION WITH THE MARCH 29 SIGNING OF A COLLECTIVE CONTRACT BETWEEN THE FEDERAL POWER COMMISSION (CFE) AND THE ELECTRICAL WORKERS UNION CALLING FOR ONLY 12 PERCENT INCREASE IN WAGES. THIS MAJOR SETTLEMENT TECHNICALLY CONFORMED TO HIS 12 PERCENT GUIDELINES ALTHOUGH IT WAS HEAVILY LOADED WITH FRINGE BENEFITS (MEXICO 5188). THE OTHER MAJOR LABOR CONFLICT WAS THE WORK STOPPAGE BY TELEPHONE WORKERS ON APRIL 25 WHICH DISRUPTED ALL LOCAL TELEPHONE SERVICE FOR EIGHTEEN HOURS. THE SETTLEMENT PROVIDED THE WORKERS WITH A 12 PERCENT INCREASE IN BASE PAY. THOMPSON

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